

## Appendix: Financial soundness indicators

**Table 1: Domestic Banks**

Unit: %

Items	Year (end of year )	2005	2006	2007	2008	2009	2010
<b>Earnings and profitability</b>							
Return on assets (ROA)		0.30	-0.06	0.28	0.12	0.28	0.57
Return on equity (ROE)		4.74	-0.94	4.32	1.86	4.52	9.08
Net interest income to gross income		66.11	68.34	66.38	78.53	59.54	59.52
Non interest expenses to gross income		47.84	51.21	54.07	62.97	59.81	55.99
Gains and losses on financial instruments to gross income		11.49	12.63	9.08	3.91	16.43	9.93
Personnel expenses* to non-interest expenses		-	55.37	55.93	54.80	57.56	57.67
Spread between lending and deposit rates (basis points)		2.45	2.09	1.83	1.76	1.23	1.37
<b>Asset quality</b>							
Non-performing loans to total loans		2.24	2.15	1.83	1.54	1.15	0.61
Provision coverage ratio		50.06	62.26	64.07	69.48	90.35	157.32
<b>Capital adequacy</b>							
Regulatory capital to risk-weighted assets		11.23	10.87	10.80	11.04	11.83	11.96
Tier 1 capital to risk-weighted assets		10.37	9.88	8.50	R 8.42	R 9.03	9.17
Capital to total assets		6.45	6.19	6.42	6.12	6.25	6.31
Non-performing loans net of provisions to capital		15.28	15.16	R12.24	10.33	6.41	2.91
<b>Liquidity</b>							
Customer deposits to total loans		118.70	119.41	117.98	122.34	133.13	132.28
Liquid assets* to total assets		-	-	R10.58	12.69	15.20	10.46
Liquid assets* to short-term liabilities		-	-	15.66	18.39	20.98	14.65

Table 1 : Domestic Banks (cont.)

Unit: %

Items	Year (end of year )					
	2005	2006	2007	2008	2009	2010
<b>Credit risk concentration</b>						
Household loans to total loans	46.51	46.74	46.59	45.48	46.41	46.67
Corporate loans to total loans	41.60	43.02	43.90	45.27	43.26	43.66
Large exposures to capital	137.32	144.28	136.85	142.38	142.48	141.73
Gross asset positions in financial derivatives* to capital	-	5.28	10.35	21.92	8.17	8.54
Gross liability positions in financial derivatives* to capital	-	4.79	5.44	16.48	8.44	10.02
<b>Sensitivity to market risk</b>						
Net open position in foreign exchange* to capital	-	3.11	5.02	2.41	2.43	2.72
Foreign-currency-denominated loans* to total loans	-	13.44	15.57	16.54	16.22	16.28
Net open position in equities* to capital	-	28.63	30.88	24.99	25.69	24.48
Foreign-currency-denominated liabilities* to total liabilities	-	19.86	22.20	20.41	19.48	20.31

Notes: 1. The items with "\*" are only available from 2006. Liquidity asset related items are disclosed from 2007.

2. The data of earnings and profitability in 2006 and 2007 exclude Chinese Bank and Bowa Bank.

3. The figures for "Spread between lending and deposit rates" exclude the data of the medium business banks. The figures for lending and deposit rates exclude preferred deposits rates of retired government employees and central government lending rates.

4. Figures with "R" are revised data.

Table 2: Non-financial Corporate Sector

Units: %, times

Items	Year (end of year )					
	2005	2006	2007	2008	2009	2010Q3
<b>Total liabilities to equity</b>						
Corporate sector	86.10	85.21	82.20	90.02	86.88	-
TWSE-listed companies	66.06	64.27	R 63.28	R 67.54	65.43	69.01
OTC-listed companies	84.03	74.17	R 78.21	R 89.56	62.75	72.17
<b>Return on equity</b>						
Corporate sector	10.88	13.04	13.90	4.76	8.07	-
TWSE-listed companies	14.13	15.34	R 18.04	R 8.08	9.58	16.95
OTC-listed companies	9.26	17.06	R 8.20	R -5.98	6.91	16.01
<b>Net income before interest and tax / interest expenses (times)</b>						
Corporate sector	8.97	10.10	10.78	3.39	8.54	-
TWSE-listed companies	15.25	16.85	19.07	R 8.26	15.03	33.07
OTC-listed companies	8.38	R 14.06	R 6.79	-	10.85	21.38

Notes: 1. The data of all corporates are from JCIC, and those of TWSE-listed and OTC-listed corporates are from TEJ.

2. The figure of "Return on equity" for 2010Q3 is annualized result.

3. The data of "net income before interest and tax / interest expenses" for OTC-listed companies in 2008 is nil due to the net loss of the same year.

4. Figures with "R" are revised data.

**Table 3: Household Sector**

Unit: %

Items	Year (end of year )					
	2005	2006	2007	2008	2009	2010
Household borrowing to GDP	83.15	83.17	81.47	R 81.92	R 84.84	82.17
Borrowing service and principal payments to gross disposable income	R 46.97	R 44.66	42.09	R 40.74	R 37.29	36.12

Notes: 1.The figures of disposable income for 2010 are CBC estimates.

2. The figure with "R" is revised data.

**Table 4: Real Estate Market**

Unit: %

Items	Year (end of year )					
	2005	2006	2007	2008	2009	2010
Land price index	94.68	96.38	98.92	100.51	100.38	105.93
Residential real estate loans* to total loans	-	29.14	30.14	29.16	30.57	29.99
Commercial real estate loans* to total loans	-	10.74	11.84	12.14	12.47	13.25

Notes: 1.Figures of Land price index are on a end-September basis (March 2008 = 100).

2.The items with "\*" are only available from 2006.

**Table 5: Market Liquidity**

Unit: %

Items	Year (end of year )					
	2005	2006	2007	2008	2009	2010
The turnover ratio of trading value in stock market	131.36	142.20	153.28	145.45	178.28	136.74
The monthly average turnover ratio in bond market	215.69	140.58	74.65	47.93	31.56	32.40

Notes: 1.The turnover ratio in terms of trading value in stock market is the cumulative figure of the period.

2.The monthly average turnover ratio in bond market is the average figure of the period.